

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

Main website: [www.energy.ca.gov](http://www.energy.ca.gov)



In the Matter of:	) Docket 03-IEP-01
	)
Informational Proceeding and	) NOTICE OF COMMITTEE
Preparation of the 2004 <i>Integrated</i>	) WORKSHOP ON THE 2004
<i>Energy Policy Report (IEPR) Update</i>	) TRANSMISSION UPDATE

As part of the **2004 Integrated Energy Policy Report (IEPR) Update** proceeding, the California Energy Commission will conduct a second workshop on its ongoing collaborative state transmission assessment. The IEPR Committee invites all interested parties to discuss the state's immediate transmission problems and help develop a vision of the state's future transmission system. The workshop will be held on:

**MONDAY, APRIL 5, 2004**  
Starting at 9:30 a.m.  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Hearing Room A  
Sacramento, California  
(Wheelchair Accessible)

Note: Audio from this hearing will be broadcast over the Internet.  
For details on listening in, please go to: [www.energy.ca.gov/realaudio/](http://www.energy.ca.gov/realaudio/)

The Energy Commission adopts the IEPR every two years and updates the report every other year. The Energy Commission is currently preparing the 2004 IEPR Update.

**Purpose**

As described in the 2003 *IEPR*, modernizing and upgrading the bulk transmission grid should be a centerpiece of the state's electricity planning process. On April 5, 2004, the Committee will hold a second workshop to continue implementing its fully collaborative transmission assessment that builds upon the California Independent System Operator's (CA ISO) transmission planning process. The Committee's purpose is to ensure that grid expansions are made on a timely basis while considering statewide objectives in determining transmission investments that best meet California's needs. The first workshop was held on November 6, 2003. For more information, see documents at:

[[http://www.energy.ca.gov/2004\\_policy\\_update/documents/index.html#11-06-2003](http://www.energy.ca.gov/2004_policy_update/documents/index.html#11-06-2003)].

Note: California Energy Commission's formal name is State of California Energy Resources Conservation and Development Commission.

This workshop will:

- Present future scenarios of the state's transmission future
- Develop a process with interested parties and stakeholders on developing the state's long-term transmission vision (for use in future policy development)
- Discuss the immediate transmission problems in the state, their short-term solutions, the impact on renewable development, and the consequences of permitting uncertainty
- Gather information for the transmission white paper to be developed in support of the 2004 IEPR Update proceeding.

Please see Attachment A for the preliminary workshop agenda.

### **Workshop Participation and Comments**

We invite public participation on the topics and questions provided in Attachment B during this workshop. Workshop attendees are strongly encouraged to participate in the morning round table discussion. If you wish to join the round table panel, please contact Kristy Chew at (916) 654-3929 or by e-mail at: [[kchew@energy.state.ca.us](mailto:kchew@energy.state.ca.us)] by **Friday, April 2, 2004**. As noted in Attachment A, the public also has the opportunity to comment immediately following the afternoon presentations on immediate transmission problems and solutions in the state.

The Committee seeks comments and encourages interested parties to present their views either orally at the workshop or through written comments. The Committee requests that written comments specifically relating to these workshop topics be submitted by **April 20, 2004**. Those submitting written comments must provide an original plus 11 paper copies to the Energy Commission's Dockets Unit. However, those who file by electronic mail, either Microsoft Word format or Portable Document Format, need only submit one paper copy. E-mail comments should be addressed to [[docket@energy.state.ca.us](mailto:docket@energy.state.ca.us)]. Please include the docket number 03-IEP-01 and indicate "2004 Transmission Update" in the subject line or initial paragraph of your comments.

Please send or deliver materials to the following address:

California Energy Commission  
Dockets Office  
Attn: Dockets 03-IEP-01  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

Alternatively, participants may provide 12 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and will become part of the public record in this proceeding.

## **Additional Information**

For further information on how to participate in this workshop, contact the Energy Commission's Public Adviser, Margret J. Kim at (916) 654-4489, toll-free at (800) 822-6228, or email at [[pao@energy.state.ca.us](mailto:pao@energy.state.ca.us)]. If you require special accommodations, please contact Lou Quiroz at (916) 654-5146 at least five days before the workshop. Technical questions should be directed to Don Kondoleon of the Engineering Office, at (916) 654-3918 or by email at [[dkondole@energy.state.ca.us](mailto:dkondole@energy.state.ca.us)]. News media inquiries should be directed to Claudia Chandler, Assistant Director, at (916) 654-4989.

Date Online: \_\_\_\_\_

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JOHN L. GEESMAN  
Commissioner and Presiding Member  
2004-2005 Integrated Energy Policy Report Committee

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JAMES D. BOYD  
Commissioner and Associate Member  
2004-2005 Integrated Energy Policy Report Committee

## Attachment A

### Preliminary Agenda for the Integrated Energy Policy Report 2004 Update Committee Workshop on Transmission

**Monday, April 5, 2004**

**9:30-9:45** Welcoming Remarks (Commissioners John L. Geesman and James D. Boyd, IEPR Committee)

**9:45-10:30** Alternative Scenarios of the State's Transmission Future

Presentation of the Energy Commission's consultant report, *California's Electricity Generation and Transmission Interconnection Needs under Alternative Scenarios* (prepared by the Electric Power Group of the Consortium of Electric Reliability Technology Solutions (CERTS))

Presenter: Joe Eto, CERTS, Lawrence Berkeley National Laboratory

**10:30-11:45** Collaboration on Developing a Long-Term Vision of the State's Transmission System

Staff presentation on process and potential drivers for the development of a long-term vision for the state's transmission system for eventual use in the development of state policy.

Panel discussion of interested parties and individuals on developing a long-term vision for the state's transmission system.

Moderator: Joe Eto

Panelists will include:

- Gary DeShazo, California Independent System Operator
- Kevin Dasso, Pacific Gas and Electric Company
- Patricia Arons, Southern California Edison Company
- David Korinek, San Diego Gas and Electric Company
- Morteza Sabet, Western Area Power Administration
- John Schumann, Los Angeles Department of Water and Power
- James Feider, Transmission Agency of Northern California
- Other interested parties and interested individuals\*

#### Discussion Topics

1. What drivers need to be considered in developing a state long-term transmission vision?
2. What do you see as the vision for California's transmission system?
3. What steps need to be taken in this 2004 IEPR Update?
4. What steps need to be taken in the 2005 IEPR proceeding?

**11:45-1:00** Break/Lunch

**1:00-2:45** Immediate Transmission Problems in the State, Their Immediate Short-term Solutions, the Impact on Renewable Development, and the Consequences of Permitting Uncertainty

Presentations by:

1. Gary DeShazo, California Independent System Operator
2. Kevin Dasso, Pacific Gas and Electric Company
3. Patricia Arons, Southern California Edison Company
4. David Korinek, San Diego Gas and Electric Company
5. Morteza Sabet, Western Area Power Administration
6. John Schumann, Los Angeles Department of Water and Power
7. James Feider, Transmission Agency of Northern California

Discussion Topics

1. Where are the problem transmission areas?
2. What are the short-term transmission solutions?
3. How do these short-term solutions address the interconnection of existing and future renewable energy sources?
4. What are the consequences of inaction or delayed action in implementing the short-term solutions?
5. How do you see your short-term solutions fitting into a longer-term plan for your customers?

**2:45-3:15** Public comment

**3:15-3:30** Wrap-up/Closing Remarks (IEPR Committee)

**\* Please contact Kristy Chew at (916) 654-3929 or by email at [kchew@energy.state.ca.us] by Friday, April 2, 2004 if you are interested in joining the panel discussion.**

## **Attachment B**

### **Background Information and Questions for Participants**

#### **Alternative Scenarios of the State's Transmission Future**

At the request of the Energy Commission, the Electric Power Group of the Consortium of Electric Reliability Technology Solutions (CERTS) prepared a report to begin the process of developing a long-term vision for California's transmission system. The report, entitled *California's Electricity Generation and Transmission Interconnection Needs under Alternative Scenarios* (Pub. No. 700-04-003), can be found at: [[http://www.energy.ca.gov/2004\\_policy\\_update/documents/index.html](http://www.energy.ca.gov/2004_policy_update/documents/index.html)].

#### **Collaboration on Developing a Long-Term Vision of the State's Transmission System**

At the workshop, the staff will initiate the development process by describing potential vision drivers of the state's transmission system. This will be followed by a round table discussion on the following topics:

1. What additional drivers need to be considered in developing a long-term transmission vision?
2. What do you see as the vision for California's transmission system?
3. What steps need to be taken in this 2004 IEPR Update?
4. What steps need to be taken in the 2005 IEPR proceeding?

Presentations will be made by utility representatives. However, the Committee is particularly interested in hearing the perspectives of environmental groups, consumer groups, ratepayer advocate groups, and other interested parties. Please see the "Workshop Participation and Comments" section of this notice for information on how to participate in this round table discussion.

Presented below are potential drivers that the staff believes should be considered when developing a collaborative vision for California's transmission system:

- a. Adherence to the transmission planning and siting principles developed in Senate Bill 2431 (SB 2431, Stats. 1988, Ch. 1457) (see Attachment C for a summary of SB 2431).
- b. The state's commitment to the development of renewable generation through the Renewable Portfolio Standard (RPS) program and other environmental drivers.
- c. Assumptions regarding:
  - future availability of existing power plants;
  - future demand for electricity;
  - development of future in-state power plants, including distributed generation;

- availability of out-of-state power plants to supply electricity to California; and
- types and value of various strategic benefits not currently quantified in cost-benefit analyses.

### **Immediate Transmission Problems in the State, Their Immediate Short-term Solutions, the Impact on Renewable Development, and the Consequences of Permitting Uncertainty**

As part of the 2003 IEPR proceeding, the Energy Commission staff prepared a White Paper entitled *Upgrading California's Electric Transmission System: Issues and Actions* (Pub. No. 100-03-011), available at:

[[www.energy.ca.gov/reports/2003-08-15\\_100-03-011.PDF](http://www.energy.ca.gov/reports/2003-08-15_100-03-011.PDF)]

In that report, the major in-state physical and operational transmission system problems and planned solutions were identified, along with four projects of immediate concern: (1) Valley-Rainbow, (2) Devers-Palo Verde 2, (3) Jefferson-Martin, and (4) Tehachapi.

At the April 5, 2004 workshop, CA ISO, investor-owned utilities, and federal and municipal utility organizations will be asked to address the following questions from their perspective.

1. Where are the problem transmission areas?
2. What are the short-term transmission solutions?
3. How do these short-term solutions address the interconnection of existing and future renewable energy sources?
4. What are the consequences of inaction or delayed action in implementing the short-term solutions?
5. How do you see your short-term solutions fitting into a longer-term plan for your customers?

Following the presentations, workshop participants will have an opportunity to comment.

### **Information for the Transmission White Paper to be Developed in Support of the 2004 IEPR Update Proceeding**

Following the workshop, the Committee will use comments received as the basis for developing a draft vision for discussion at a future transmission workshop, tentatively scheduled for May 10, 2004.

## Attachment C

### Summary of Senate Bill 2431 (SB 2431, Stats. 1988, Ch. 1457)

#### Electric Utility Transmission Line Rights-of-Way Study

Transmission congestion and electricity reliability problems have traditionally been met by expansion of the electrical transmission system. Obtaining permission to expand existing transmission rights-of-way or siting new transmission rights-of-way has been and continues to be a very difficult and controversial process. There are numerous entities (e.g., investor-owned utilities, independent power developers, transmission-dependent utilities, and transmission-owning utilities) involved in transmission planning, all with varying needs. The Legislature, in an effort to avoid single-purpose transmission lines where possible and facilitate effective coordinated long-term transmission line corridor planning, approved Senate Bill 2431 (SB 2431, Stats. 1988, Ch. 1457) which required a number of studies to be prepared and included in the Energy Commission's 1990 *Electricity Report*. The bill also made two general findings concerning the role of transmission in California's future development:

- a. The Legislature hereby finds and declares that establishing a high-voltage electricity transmission system capable of facilitating bulk transactions for both firm and nonfirm energy demand, accommodating the development of alternative power supplies within the state, ensuring access to regions outside the state having surplus power available, and reliably and efficiently supplying existing and projected load growth, are vital to the future economic and social well being of California.
- b. The Legislature further finds and declares that the construction of new high-voltage transmission lines within new rights-of-way may impose financial hardships and adverse environmental impacts on the state and its residents, so that it is in the interests of the state, through existing licensing processes, to accomplish all of the following:
  1. Encourage the use of existing rights-of-way by upgrading existing transmission facilities where technically and economically justifiable.
  2. When construction of new transmission lines is required, encourage expansion of existing right-of-way, when technically and economically feasible.
  3. Provide for the creation of new rights-of-way when justified by environmental, technical, or economic reasons as determined by the appropriate licensing agency.
  4. Where there is a need to construct additional transmission capacity, seek agreement among all interested utilities on the efficient use of that capacity.

Neither the need for transmission expansion nor the controversies surrounding expansion have diminished since the Legislature's transmission corridor siting findings were made. The Energy Commission believes that these principles are still important



today and must be considered when planning for the expansion of transmission corridors.